



The Indiana Family and Social Services Administration

Bureau of Child Care Tiered Reimbursement Rates 2014 Child Care Provider Webinar

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Market rates vs. Reimbursement Rates

What's the difference?

- Market Rates- the rates that you charge families
- Reimbursement rates- the rates that the State reimburses through the CCDF program





How are **CCDF** reimbursement rates set?

- Every two years states must conduct a market rate survey
- Survey programs to determine the rates they charge
- Last study 2013- 98% return rate from child care programs
- Collect rates by county, by provider type and by the age of the children receiving care
- Effective May 2014, will add Paths to QUALITY™ rated level to the factors that determine the CCDF reimbursement rate.





Why include rating levels when setting rates?

- Standards within Paths to QUALITY are evidenced based and have been validated by many national research studies
- Paths to QUALITY levels have been validated by Purdue University as effectively increases measured quality of care
- See research reports at <http://www.in.gov/fssa/pathstoquality/3764.htm>
- Increased standards can increase operating cost- such as professional development for staff, increased staffing costs, building safety improvements





Benefits of Tiered Reimbursement

- Rates should reflect the increased cost of higher quality care
- Provide additional resources to support quality advancements
- Encourage level increases and higher level maintenance
- Encourage highly rated programs to accept CCDF vouchers





Benefits continued

- Minimize out of pocket costs for CCDF families by covering more of the cost of care so that families have more access to affordable high quality programs
- Better support CCDF families who often find it difficult to pay a overage or if you choose to waive an overage owed





New Rate Structures

- New tiered rates will include a base rate for licensed centers and licensed homes
- Level 1 PTQ centers and homes are paid at this base rate
- Homes and centers at level 2 will have a 10% increase over the base rate, 20% at level 3 and 30% at level 4. The level 4 increase will replace the current increase received at accreditation
- Registered Ministries will see a significant increase upon obtainment of VCP and level 1 of PTQ, levels 2-4 for ministries will be the same as centers.





New Rate Structures

- LLEPs and non-PTQ registered ministry rates will remain the same at this time
- No rate will decrease
- There are thousands of rates based on the market rate survey, provider type, age of child and rated PTQ level
- On average the state rates were increased; however not every rate, in every county, for every age group of child, was increased





Understanding the CCDF rates

- Rates are reported as percentiles
- Percentile is a value on a scale of one hundred that indicates whether a distribution is above or below it. For example a rate that is at the 75th percentile is equal to or greater than 75% of the rates.
- Federal regulations require co-pays for families that are above the poverty level. Co-pays cannot be waived.





CCDF Rules and Regulations

- Families are also responsible for any “overages” or the difference between what the provider charges and what the State will reimburse
- For example a family below 100% of FPL (zero co-pay) attend a child care program that charges \$140/week; however the maximum reimbursement rate for this county, for the age of their child and this provider type is \$100/wk. The families “overage” is \$40/wk. This is significant for a family earning below 100% of the FPL
- You may choose to waive overages





Pre-Voucher Report

Pre-Voucher Report

Case Number 155912
 Sequence Number 1
 County Noble
 Applicant
 Address
 Subsidy Begin Date 08/21/2011
 Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
1925615		1	08/21/2011	02/18/2012	5	25	Toddler	1	78	0	80	2	SUE CHILD CARE HOME	210 S MAIN ST	2



Parent/Guardian (Please retain for your own records.)

All of this section is for the parent's info on the swipe card

To select a pin for your Hoosier Works for Child Care Card:
 Call 1-800-876-0487
 Have 16 digit Hoosier Works Card Number ready
 Have a PIN selected
 Follow the instructions given by the automated attendant
 Application information:
 Case Number = 155912
 Sequence Number = 1
 Parent Date of Birth =

If you or your Authorized Representative have trouble using your Hoosier Works for Child Care Card, please contact the Hoosier Works for Child Care Client Help Desk at 1-866-258-8808.

To report suspected CCDF Fraud by either a parent or provider please contact the CCDF Fraud Coordinator at 317-234-2200.

Para activar su tarjeta:
 Llame a gratis a 1.800.876.0487
 Tiene los 16 dígitos de la tarjeta Hoosier Works listo
 Tiene un número de PIN escogido
 Sigue las instrucciones por asistente automatizado
 Tiene la disponible:
 El Número del Caso = 155912
 El Número de Serie = 1
 La fecha del Nacimiento =





Pre-Voucher Report - Subsidy Amount

Pre-Voucher Report

Case Number 155912
Sequence Number 1
County Noble
Applicant
Address
Subsidy Begin Date 08/21/2011
Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
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La fecha del Nacimiento =



Pre-Voucher Report – Co-Pay Amount

Pre-Voucher Report

Case Number 155912
 Sequence Number 1
 County Noble
 Applicant
 Address
 Subsidy Begin Date 08/21/2011
 Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
1925615		1	08/21/2011	02/18/2012	5	25	Toddler	1	78	0	80	2	SUE CHILD CARE HOME	210 S MAIN ST	2



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Pre-Voucher Report – Provider Charges

Pre-Voucher Report

Case Number 155912
Sequence Number 1
County Noble
Applicant
Address
Subsidy Begin Date 08/21/2011
Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
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El Número de Serie = 1

La fecha del Nacimiento =



Pre-Voucher Report – Amt Owed by App

Pre-Voucher Report

Case Number 155912
Sequence Number 1
County Noble
Applicant
Address
Subsidy Begin Date 08/21/2011
Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
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Pre-Voucher Report – Paths to QUALITY Level

Pre-Voucher Report

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Sequence Number 1
County Noble
Applicant Address
Subsidy Begin Date 08/21/2011
Subsidy End Date 02/18/2012

Vchr#	Child Name	Child Nbr	Voucher Begin Date	Voucher End Date	Serv. Hours Per Day	Serv. Hours Per Week	Child Age Group	Shift	Subsidy Amount	Co-Pay Amount	Provider Charges	Amt Owed By App	Provider Name	Provider Address	PTQ Lvl
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What about private pay families?

- You cannot charge CCDF families more than you charge private pay families
- You may offer sliding fee scales and scholarships for private pay families, these must be bona fide and programs should be able to document in a state or federal audit
- Sliding fee scales and scholarships should be implemented consistently
- The State will not reimburse for more than what the rates that you charge



Examples- Current

The Jones family earns less than 100% of the FPL so they do not have a co-pay, the current subsidy amount that the state will pay for the provider that they have chosen is \$80/wk. Their provider charges \$100. The Jones pay \$20/wk in overages (Amount PD by APP).

THE JONES FAMILY	Current
Co-pay	\$0
Provider Charges	\$100
Subsidy	\$80
Amount Pd by App (overage)	\$20
Reimbursement	\$80



After the Rate Increases

- After the rate increases the State will now reimburse \$100/wk. The co-pay does not change. Now the Jones no longer pays an overage payment. The state reimbursement covers the full cost of care.

	BEFORE	AFTER
Co-pay	\$0	\$0
Provider Charges	\$100	\$100
Subsidy	\$80	\$100
Amount Pd by App	\$20	\$0
Reimbursement	\$80	\$100



More Examples

- The Smiths have a child the same age as the Jones'. They also earn below 100% FPL. Their provider charges \$90 week. Before the rate changes, the reimbursement rate is \$80; after the increases, the reimbursement rate is \$100

	BEFORE	AFTER
Co-pay	\$0	\$0
Provider Charges	\$90	\$90
Subsidy	\$80	\$100
Overages	\$10	\$0
Reimbursement	\$80	\$90



Another Example

- The Bakers have a co-pay of \$10/wk. Their provider charges \$120/ wk. The current reimbursement rate is \$100/wk. The new reimbursement rate is \$110/wk

	BEFORE	AFTER
Co-pay	\$10	\$10
Provider Charges	\$120	\$120
Subsidy	\$100	\$110
Amount PD by App	\$30 (10+20)/ wk	\$20
Reimbursement to program	\$90	\$100



One Last Example

- The Roberts have a co-pay of \$5/wk. Their provider charges \$90/wk. The current subsidy is \$80. The new rate is \$100

	BEFORE	AFTER
Co-Pay	\$5	\$5
Provider Charges	\$90	\$90
Subsidy	\$80	\$100
Amt Pd by App	\$15 (5 + 10)	\$5
Reimbursement	\$75	\$85



Impact of new rates on the percentiles

Statewide average percentiles for increased levels:

- PTQ level 2 above the 82nd percentile
- PTQ level 3 above the 90th percentile
- PTQ level 4 above the 95th percentile



Impact to Providers- Implementation

- Every new voucher created after April 27th will be at the new rate.
- Providers will see rate changes to existing vouchers on May 11.
- Not every provider will see an increase.
- Changes to the reimbursement will depend on rates that you are currently charging .
- If there is an existing overage and if the rate for that specific type has increased, you will see an increase in reimbursement and families will have a decrease in overage costs.



How can providers adjust their charges?

- You can change your rates as your business model and the market will bear. These changes can occur at any time.
- However, vouchers are created at a certain rate and represent an agreement for that period of time.
- Therefore, market rates are changed during voucher redetermination or the during the creation of a new voucher using the Provider Information Page, page 3, of the CCDF application
- For the reimbursement rate changes 2014, this process will remain the same for non-PTQ and level 1 licensed centers and homes.



Paths to QUALITY Programs

- To better support and to provide well deserved recognition this process will be modified for centers and homes at level 2,3 and 4 and for ministries rated levels 1-4
- For implementation, these PTQ programs will have 30 days from implementation to change their market rate charges for existing vouchers
- Will complete new Provider Information Page, page 3, for each CCDF family enrolled in their program.
- Must also include a level verification form, copy of their PTQ certificate, or copy of their PTQ level advancement letter
- Must attach one of these copies to the Provider Information Page(s)



Changes to Provider Rates

- Intakes must manually change each voucher in the AIS system. There are thousands of potential changes. Intakes must complete the changes within 60 days.
- Please be patient as these changes are made.
- Rates will not be changed retroactively. Intakes will get changes done as quickly as possible.
- You can check the Hoosier Child Care website (hoosierchildcare.com) to see details on changes to vouchers.



How Will On-going Adjustments to Provider Rates Occur?

- After implementation, as PTQ programs continue to increase their rated quality, they may choose to change their market rates after each level increase.
- PTQ programs will have 30 days from a level increase to raise their market rates, utilizing the same process (submit new Provider Information Pages for each enrolled family)
- They may use their new congratulations letter or provider level verification form. A copy must be attached to the Provider Information Page in order for Intakes to process changes.
- If they wish to make a change that is not related to a PTQ level increase, they must do so at recertification or new voucher enrollment



What About Level Decreases?

- As rates are directly tied to PTQ levels, a level decrease will also impact the maximum rate that the State will reimburse.
- Rate decreases will be processed monthly.
- Families impacted by a decrease will receive a notification called an adverse action letter.
- Providers will also get a copy of this letter.
- This may impact a family's overage cost.



Impact to Families- Implementation

- The reimbursement rate increases may impact families on implementation by decreasing or eliminating their overages, if applicable.
- Families will receive a letter explaining the changes.
- Families will be encouraged to talk to you about the impact of the changes.



Impact to Families On-going

- Families will receive notification of any potentially negative impact to their benefits- for example a PTQ level decrease.
- Providers will be encouraged to inform families of the level increases and the impact of those level advancements to their overage charges as applicable.



Timeline

- New vouchers created after April 27th will show new rates
- Existing vouchers will be changed effective May 11
- PTQ Providers (centers and homes levels 2-4 and PTQ rated ministries) may change their charges between April 14- June 9
- Provider letters, one to licensed and PTQ programs, one for LLEPs and registered ministries, will go out April 9th-
- Family letters will go out at the end of April
- Webinar and teleconference information sessions will run from April 14- May 1



Information Sessions

Dates	Times	Links	Call in Number
Monday, April 14 th	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Tuesday, April 15 th	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Thursday, April 17 th	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Monday, April 21 st	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Tuesday, April 22 th	7-8 p.m. EST	telephone call only	877-422-1931 8938051085#
Friday, April 25 th	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Saturday, April 26 th	9-10 a.m. EST	telephone call only	877-422-1931 8938051085#
Monday, April 28 th	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Tuesday, April 29 th	11:30 a.m. - 12:30 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#
Thursday, May 1 st	1-2 p.m. EST	http://www.webinar.in.gov/bcc/	877-422-1931 8938051085#



Future Steps

- Non-PTQ registered ministries and LLEP centers and homes will not have a reimbursement rate increase at this time
- HEA 1036 requires new health and safety standards for all unlicensed providers receiving CCDF funds. These new requirements include staff:child ratios, nutrition and 12 hours of annual clock hour training
- As rates are based on quality standards, the current rates for Non PTQ Registered Ministries and LLEPs centers and homes are being analyzed and will be increased prior to the effective date, July 1, 2015 for ratios and 12 clock hours of training annually



Resources

- Family Child Care Providers go to www.iaccrr.org .
 - Click on Child Care Providers, Click on Starting the Business, scroll down to Tom Copeland-Treating Family Child Care as a Business. Tom Copeland has 6 videos posted.
 - Register at Training Central, Click webinars, *Off to a Good Start- Planning Your Home Child Care Business 5/27/14, 6/23/14 Webinar for newer providers to the business, includes business planning
- All Providers go to www.iaccrr.org
Click on the Statewide Calendar Sort by your CCR&R See if the CCR&R has an upcoming Business Practices session- Contact your local child care resource and referral to register or ask for a Business Practices session to be scheduled.



Resources

- Paths to QUALITY™ participants

Contact your Coach. Your coach can locate resources to help guide you through a Business Planning process

- VCP Ministries or ministries interested in becoming VCP

Contact your Coach. Your coach can locate resources to help guide you through a Business Planning process. Don't have a coach? Contact

tmarshall@iaccrr.org



CCR&R Lending Libraries

Family Child Care

Business Planning Guide

Author Tom Copeland, JD

Redleaf Press

Program Administration

**Scale: Measuring Early
Childhood Leadership and
Management**

Author: Teri N. Talan, Paula
Jorde Bloom

Teachers College, Columbia
University



Save the Date

- **Tom Copeland**

Webinar training

Will include training on what to consider when setting rates and how to set up a sliding fee scale and/or scholarship program

- May 7 -6:30-8:00 pm ET
- May15- 1:00-2:30 pm ET

- Register soon at Training Central

www.iaccrr.org



Save the Date

Family Child Care Forum, July 26, 2014

Indianapolis, IN

There will be a session included in the Forum on business practices that will include financial planning.



Questions

BCC 1-877-511-1144 speak with the CCDF Policy Team